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OFFICE OF CURRENT OPERATIONS

Bulletin

29 January 1982
Item #4

PW

111R115

R 16277)1Z0TZ0THYD

44RN-POLAND-MAUROY (3 TAKES)4

4BY CHARLES BRENNER4

BONN, JAN 29, REUTER -- FRANCE AND WEST GERMANY TODAY JOINTLY REJECTED ECONOMIC SANCTIONS AGAINST THE SOVIET UNION OVER THE POLISH CRISIS.

FRENCH PRIME MINISTER PIERRE MAUROY TOLD A NEWS CONFERENCE AFTER TALKS WITH CHANCELLOR HELMUT SCHMIDT THAT SANCTIONS WOULD MEAN "ACCEPTING THE IDEA OF AN ECONOMIC BLOCKADE...WHICH IS IN A WAY A GRAVE ACT; IT IS AN ACT OF WAR."

HE DEFENDED FRANCE'S CONCLUSION LAST WEEKEND OF A 25-YEAR AGREEMENT TO BUY SOVIET GAS AND SAID THIS SHOULD NOT BE LINKED TO FRANCE'S SOLIDARITY WITH THE POLISH PEOPLE AND CONDEMNATION OF HUMAN RIGHTS VIOLATIONS.

THE FRENCH PRIME MINISTER SAID THAT ECONOMIC BLOCKADES IN THE PAST HAD HERALDED TERRIBLE HISTORICAL EVENTS.

MR SCHMIDT, SPEAKING AFTERWARDS, SAID HE NOTED NO DIFFERENCE IN THE TWO COUNTRIES' APPROACH TO WHAT HE CALLED THE POLISH TRAGEDY OR TOWARD THE SOVIET UNION.

MR MAUROY SAID THE POLISH CRISIS, WHICH HAS STRAINED THE CLOSE FRANCO-GERMAN FRIENDSHIP OVER THE PAST MONTH BECAUSE OF THEIR DIFFERENCES IN APPROACH, DOMINATED TODAY'S TALKS.4

Comment: This action was not unexpected; both government's had indicated last week that they probably would not approve US proposed sanctions.

(OVER)

111R116

R 16183)2Z0TZ0TCYN

17AM-POLAND-MAUROY 2 BONN

BONN'S CAUTIOUS ATTITUDE TO MARTIAL LAW IN WARSAW WAS STRONGLY CRITICIZED IN THE FRENCH MEDIA; AND SOME NEWSPAPERS ACCUSED MR SCHMIDT OF APPEASING THE KREMLIN.

TWO WEEKS AGO, THE CHANCELLOR FLEW TO PARIS FOR HASTILY-ARRANGED TALKS WITH PRESIDENT FRANCOIS MITTERRAND WHICH APPEARED TO IRON OUT ANY DIFFERENCES BETWEEN THEM. THE TWO ARE DUE TO MEET AGAIN NEXT MONTH FOR REGULAR CONSULTATIONS.

BONN GOVERNMENT SOURCES SAID THE FRENCH GAS DEAL, THE FIRST MAJOR EAST-WEST TRADE AGREEMENT SINCE THE POLISH CRACKDOWN, HAD HELPED RELIEVE WEST GERMANY'S POSITION OF RELATIVE ISOLATION WITHIN THE WESTERN ALLIANCE.

THE TWO LEADERS CALLED FOR A CUT IN U.S. INTEREST RATES WHICH THEY SAID WERE SERIOUSLY DAMAGING THE EUROPEAN ECONOMY.

"WE AGREED IN OUR ASSESSMENT OF AMERICAN POLICY ON HIGH INTEREST RATES AND ITS GRIEVOUS CONSEQUENCES FOR THE ECONOMIES OF OUR COUNTRIES," MR MAUROY SAID.

THE CHANCELLOR SAID THEY WERE RAISING THE MATTER IN PUBLIC BECAUSE PRESIDENT REAGAN NEEDED EUROPEAN SUPPORT IN HIS OWN DOMESTIC STRUGGLE TO BRING INTEREST RATES DOWN.

BOTH LEADERS STRESSED THEIR COMMITMENT TO FIGHTING HIGH UNEMPLOYMENT BUT ACKNOWLEDGED DIFFERENCES IN THEIR ECONOMIC STRATEGIES.

111R117

R 16248)1Z0TZ0TZSA

17AM-POLAND-MAUROY 3 BONN

MR MAUROY SAID HE WAS AWARE HIS SOCIALIST GOVERNMENT'S SLOGAN OF "RECONQUERING THE DOMESTIC MARKET" HAD CAUSED CONCERN AMONG ITS PARTNERS IN THE EUROPEAN ECONOMIC COMMUNITY, WHO FEARED A POSSIBLE TRADE WAR.

"THERE IS NO QUESTION OF FRANCE ERECTING A PROTECTIONIST WALL BUT WE WANT TO GIVE A NEW IMPETUS TO OUR INDUSTRY LED BY THE NEWLY-BROADENED PUBLIC SECTOR," HE SAID.

THE TALKS WITH MR SCHMIDT SHOWED THAT "OUR PARTNERS OUGHT TO WELCOME, NOT TO COMPLAIN ABOUT OUR POLICY," MR MAUROY SAID.

THE PRIME MINISTER SAID HE OUTLINED TO MR SCHMIDT FRANCE'S ANTI-UNEMPLOYMENT STRATEGY, WHICH INCLUDES WORK-SHARING, CUTTING WORKING HOURS AND EARLY RETIREMENT.

"WE WOULD LIKE TO SEE A EUROPEAN ACCORD WITH THE LONG-TERM AIM OF REDUCING THE WORKING WEEK TO 35 HOURS BY 1985," HE SAID.

MR SCHMIDT DID NOT COMMENT ON THE IDEA. BUT THE BONN GOVERNMENT, FACED WITH RAPIDLY RISING UNEMPLOYMENT, IS WORKING ON A JOB-CREATION PACKAGE WHICH MAY BE ANNOUNCED NEXT WEEK.

MR MAUROY SAID THAT DESPITE INTERNATIONAL SKEPTICISM OVER HIS REFLATIONARY COURSE, FRANCE WOULD REACH ITS TARGET OF MORE THAN THREE PER CENT ECONOMIC GROWTH THIS YEAR AFTER 0.5 PER CENT GROWTH IN 1981.

REUTER 1212 DF